Ministry of Central Services

Annual Report
for 2013-14

Government
of
Saskatchewan

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Letters of Transmittal

The Honourable
Jennifer Campeau
Minister of Central Services

Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report for the Ministry of Central Services for the fiscal year ending March 31, 2014. The 2013-14 Annual Report for Central Services provides information about the Ministry's progress as outlined in the 2013-14 Strategic Plan.

In the last year, Central Services has worked to improve services and enhance operations. The Ministry has undertaken a review of its Central Vehicle Agency (CVA) operations and worked with ministries to ensure the right complement of vehicles is available, allowing CVA to reduce its overall fleet size. Through the New West Partnership, CVA has also worked with the provinces of British Columbia and Alberta to improve vehicle procurement by developing a single tender process.

Improvements are also being made to our IT infrastructure and services. The successful pilot of the Windows 7 rollout will now be followed by full deployment of Windows 7 to all Government workstations, ensuring employees have the modern tools they need to continue delivering quality programs to Saskatchewan people. The Ministry also modernized Government's email infrastructure to improve performance and capacity.

The Ministry continued to take steps to reduce Government's overall environmental footprint, by operating and managing our buildings in a sustainable manner. The Ministry strives to operate existing facilities to the Building Owners and Managers Association's Building Environmental Standards and new facilities are developed with consideration for Leadership in Energy and Environmental Design (LEED) certification.

Central Services has made progress on many strategic commitments in an effort to support Executive Government. These actions align with the Government of Saskatchewan's commitment to a secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all. The 2013-14 Annual Report demonstrates Government's commitment to increased accountability, to honouring its commitments, and to responsibly managing expenditures.

Jennifer Campeau
Minister of Central Services

Richard Murray
Acting Deputy Minister

The Honourable Jennifer Campeau
Minister of Central Services

Dear Minister:

I have the privilege of submitting the Annual Report for the Ministry of Central Services for the fiscal year ending March 31, 2014.

Central Services takes accountability for the report and the information herein related to its operations. I am responsible for the financial administration and management control of the Ministry of Central Services, and therefore would like to assure you the information is accurate, complete and reliable.

The Ministry continues to make progress towards its commitments and remains committed to supporting the Government of Saskatchewan's vision and goals.

Respectfully submitted,

Richard Murray
Acting Deputy Minister of Central Services

Introduction

This annual report for the Ministry of Central Services presents the Ministry's results on activities and outcomes for the fiscal year ending March 31, 2014. It reports to the public and elected officials about public commitments made and other key accomplishments of the Ministry.

The 2013-14 Annual Report outlines the vision, goals, publicly committed strategies, actions and performance measures identified in the Ministry of Central Services Plan for 2013-14.

This report also demonstrates progress made on Government commitments as stated in the Government Direction for 2013-14: Keeping the Saskatchewan Advantage, throne speeches and other commitments and activities of the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

During the 2013-14 fiscal year, the Public Service Commission (PSC) was instituted as a separate entity from the Ministry of Central Services, and therefore the progress on PSC's commitments will be reported separately in PSC's Annual Report.

Alignment with Government's Direction

The Ministry's activities in 2013-14 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan – the best place in Canada to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Improving our quality of life.
- Making life affordable.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

Mandate

The Ministry of Central Services provides central coordination and delivery of property management, information technology, project management, group purchasing, transportation, and other support services to government ministries and agencies. The Ministry also supports and promotes government-wide implementation of the Lean initiative. Central Services is the main supplier of services that support other ministries and their staff, ensuring the smooth operation of Executive Government.

Mission

As a central service agency, the Ministry uses its leadership, expertise and innovative practices to provide services and infrastructure that support the Government's program delivery.

The Ministry of Central Services contributes to Government's goals by enabling its clients to deliver services to the public. Central Services adds value to Government through fair and competitive procurement, partnerships with the private sector, and central service coordination.

Services

The services the Ministry provides focus on the people working in Government: the buildings they work in; the technology and transportation they use; as well as several other services commonly required by ministries and agencies. By providing efficient and effective services for day-to-day operations, Central Services enables ministries to focus on their specific mandates while serving the people of Saskatchewan.

Central Services Property Management division manages the space employees work in, from office buildings to courthouses, correctional centres, laboratories, warehouses and storage buildings. The Ministry plans for and manages projects to build or improve ministries' space and determines whether the space should be owned or leased. In leased space, contracts are negotiated and managed. Where the buildings are owned, the Ministry manages operations and maintenance of the facilities, ensuring their security and sustainability.

The Ministry's Information Technology division manages the Government of Saskatchewan's information technology (IT) network including its architecture, security, file systems and physical infrastructure such as computers, storage systems and mobile devices. Central Services also assists clients with the procurement, operation, management and upgrading of applications. Inherent in these services is the identification and management of information technology risks.

The Ministry's Central Vehicle Agency (CVA) owns and manages the vehicles that enable customers to carry out their responsibilities on behalf of Government. In addition, the Ministry owns and operates the aircraft of the Saskatchewan Air Ambulance program and the Executive Air program.

Central Services also provides a number of other services to ministries and agencies, such as procurement, mail, telephones, and records storage. In addition, the Ministry manages the internal systems required to carry out its responsibilities, including financial services, internal audit, communications, planning and risk management.

As of March 31, 2014, Central Services employed 968.6 Full-Time Equivalent (FTE) employees. The Ministry leased or owned 704 buildings located in 153 communities. Owned buildings had a replacement value of $3.70 billion. The Ministry also owned 4,477 vehicles and six aircraft.

During 2013-14, Central Services processed 20 million pieces of mail, delivered 40 million emails, completed 128,000 IT service requests, stored 211,500 boxes of Government records, supplied 1,375 photocopiers and tendered $191 million in goods and services.

Progress in 2013-14

Government Goal: Responsive and Responsible Government

Strategy - Achieve excellence in client service.

Key Actions & Results

Embed a customer service culture in everything we do.

- Continued to embed customer service skills as a core competency for all employees by ensuring the necessary tools and knowledge are provided to ensure superior service is delivered to internal and external customers. This was accomplished through integrating customer service objectives within the detailed work and learning plans developed by all employees.

Establish a client service model that best meets client needs.

- Interviews were conducted with Central Services' senior leaders to assemble an overview of the services provided, including identification of customer interactions involved with each service. This allowed better understanding of the interactions of employees and internal and external customers. This is an ongoing process that will be continuously reviewed and improved to meet customer needs.

Be a trusted advisor to all clients.

- Continued to provide service expertise and advice regarding the provision and procurement of all centralized Government services.

Apply Lean methodology to review and improve Ministry services.

- Conducted several Lean initiatives during the year including card access administration, construction contract signing and CVA operations.
- The Building Access and Security branch of the Property Management division used Lean to streamline the card access administration process. The results included:
  - creating a standardized form reduced customer confusion and frustration, and the amount of time to fill out and manage requests;
  - receiving requests via email to minimize paper handling; and
  - training on reporting software to allow a customized response to card administrator requests and time savings for request administration.

- The Project Management and Delivery division examined the signing process of contracts to increase efficiency while ensuring accountability:
  - The signing process was shortened significantly, (saved approximately 20 signatures per long form contract or more than 4,500 signatures annually).
  - The new process decreased the amount of rework experienced using the previous requirements.
  - Project Management and Delivery worked closely with the Ministry's Financial Services to increase efficiency for both groups.
- Implemented a Lean pilot project looking at CVA operations:
  - Evaluated and adjusted their lot and facility layout in order to implement a more efficient method of organizing the vehicle inventory at headquarters.
  - Right-sized the fleet, implemented monthly vehicle ordering and reorganized the lot/inventory, which has resulted in a more manageable workflow, reducing the need for additional staff and allowing CVA to better serve its client base.
  - Changed vehicle ordering to monthly rather than annually. The smaller number of vehicles in each order reduces the time it takes to process the vehicles for deployment. This policy change is estimated to save approximately $38,400 annually.
  - Implemented the Hosted Call Center (HCC) to increase efficiency by reducing the time and steps required by Fleet Service Consultants in providing repair authorization numbers to clients for CVA vehicles. The HCC has the ability to distribute calls equally using skills-based routing and features real time reporting, allowing better management of call volume and distribution.

Conduct regular assessments of customer satisfaction and identify areas for continuous improvement.

- Continued to expand the criteria used to measure customer satisfaction for projects/initiatives, as well as general service line satisfaction. This ongoing process will be continuously improved and expanded to capture all aspects of customer satisfaction.
- Introduced satisfaction criteria that can be identified and captured, so actions to remediate concerns can be identified. Use of customer satisfaction surveys will be expanded to additional services for 2014-15.

Performance Measure & Results

Customer Satisfaction (currently, this measure includes Information Technology division only)
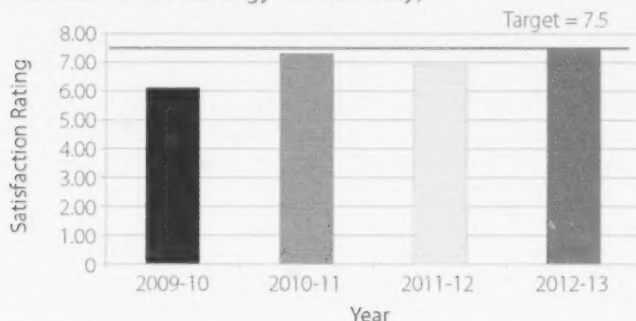
Source: IT division customer survey

The Ministry is striving to establish a customer service culture in everything we do. This measure is an indication of how successful the Information Technology division has been in meeting this strategy.

An annual customer satisfaction survey asked customers their opinion of the quality of service they receive. The graph above shows the target for this measure has been met with an increase in customer satisfaction rating to 7.5 out of 10 from 6.9 the previous year.

Progress in 2013-14

Strategy: Drive organizational performance by creating an engaged and accountable workforce to encourage employee excellence in meeting the needs of Saskatchewan citizens.

Key Actions & Results

Build a values-based culture to foster citizen-centred service excellence, enterprise approaches, operational efficiency and innovation.

- Established a Culture and Values Committee to provide guidance and oversight in the introduction and embedding of our core values. The focus has been on ensuring our managers and leaders are appropriately equipped to support and lead this initiative from within.
- Created a comprehensive communication strategy to ensure all staff recognize and understand the cultural values of the organization and their role in embedding these values in the service they provide to our customers.

- Conducted development of an employee values based feedback survey to engage employees in the establishment of organizational values.

Create a public service that is smaller, more effective, efficient and responsible. Continue to support the Government-wide strategy to reduce the size of the public service by 15 per cent.

Over four years, the Ministry has reduced its workforce by 16.9 per cent or 187 FTEs. This has been accomplished without any layoffs. In 2013-14, the Ministry was able to reduce its workforce by 74.9 FTEs. The Ministry has worked to meet targets through vacancy management and attrition, while also continuing to find efficiencies in operations.

Progress in 2013-14

Strategy: Ensure the financial and environmental sustainability of all Government-owned infrastructure.

Key Actions & Results

Reduce the CO_2 emissions of Government buildings.

Building carbon emissions (total tonnes of CO_2) are managed through the following activities:

- Energy retrofits;
- Disposal of inefficient surplus buildings;
- Energy auditing to initiate energy conservation measures;
- Certification by the Building Owners and Managers Association (BOMA) in Building Environmental Standards (BESt) for existing buildings;
- Leadership in Energy and Environmental Design (LEED) Silver standard third party certification for all new buildings and major renovations;
- Securing green leases (incorporating ecologically sustainable principles to reduce the building impact on the environment in leased spaces); and
- Implementation of daytime cleaning, which reduces electricity consumption through use of lights at night.

Performance Measure & Results

Total Building GHG Emissions (tonnes CO$_2$)

Source: Sustainability and Energy Management branch
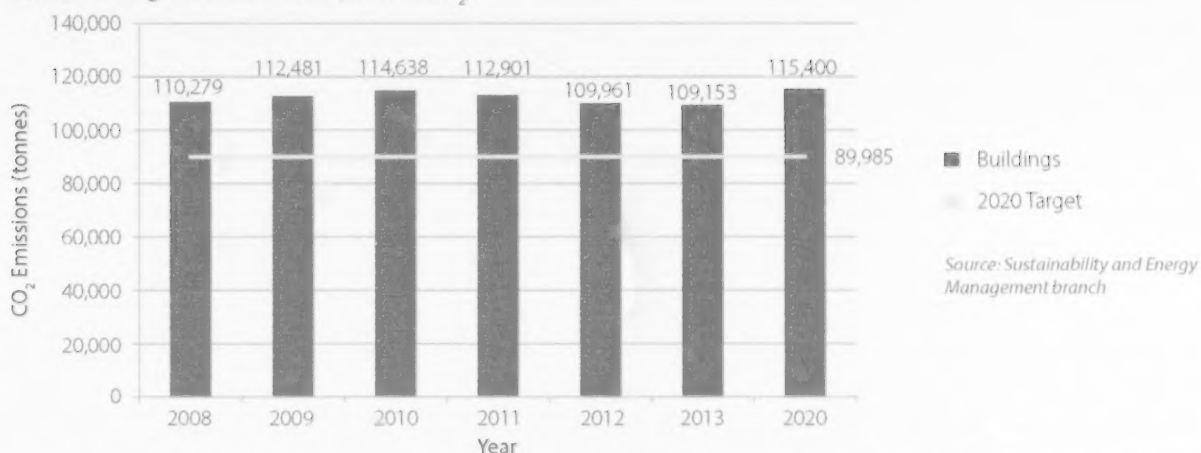
This measure monitors the environmental impact of building operations and supports the Ministry's strategy to manage building portfolio operations to reduce environmental impact, improve efficiency, and reduce expenditures. The amount of carbon dioxide (CO$_2$) emissions is measured in tonnes based on energy (both electricity and natural gas) consumed, which is estimated from billing information. Only buildings that are owned and operated by Central Services are shown.

The target (total CO$_2$ emissions) is derived from a 20 per cent reduction in carbon from 2007 levels by 2020.

Factors affecting building emissions include weather, building types and the mix of energy sources used each year.

The total area of owned buildings increased by 2.2 per cent in 2013-14. The heating degree days (reflects demand for energy required to heat a building in the year) also increased by 11.4 per cent. Nonetheless, the increase in Greenhouse Gas (GHG) emissions for owned and operated space increased only 5.7 per cent in 2013-14.

Reduce the fleet emissions (20 per cent by 2018) and improve the fuel efficiency of Government vehicles.

The CVA has implemented several strategies to reduce the environmental impact from vehicle fleet operations.

- The Ministry has released a green driving guide called "Drive Green," which can be found on the CVA website. The guide provides tips about how to drive in a more fuel efficient manner, which can result in significant savings for Government.
- CVA has implemented an anti-idling policy to reduce gasoline consumption, greenhouse gas emissions and costs.
- Right-sizing is also part of the environmental strategy. Right-sizing involves working with ministries to help clients determine if they have the right number of vehicles in their fleet as well as the right type of vehicles for the job function they support. The most fuel efficient vehicle for the job requirements should be used to ensure maximum environmental responsibility and savings for the Government and the people of Saskatchewan.

Performance Measure & Results

Fuel Efficiency and CO$_2$ Emissions per Full Maintenance Passenger Vehicle

Source: Central Vehicle Agency

This measure demonstrates progress on the Ministry's strategy to manage the vehicle fleet to reduce the environmental impact from operations. Average fuel efficiency and carbon dioxide emissions are measures of the environmental impact of vehicle operations. Vehicle efficiency is calculated by dividing the amount of fuel used by the fleet by the distance travelled. Emissions are calculated based on approximately 2.32 kilograms of CO_2 release per litre of fuel burned.

Many factors affect fuel efficiency, including the type of vehicle, usage, and driver behaviour. CVA has a medium level of control over this measure, as it is dependent on the ability to influence clients to make environmentally conscious decisions. Currently efforts are concentrated on right-sizing the fleet, communication efforts to influence positive driver behaviour and improving measurement and evaluation of fuel consumption.

Both measures reflect passenger vehicles only, excluding special-purpose and service vehicles. Passenger vehicles are primarily used for transporting people, and include compact sedans, mid-sized sedans, mid-sized station wagons, minivans and large sedans.

The increased average age of the fleet may play a large role in this increase with respect to fuel efficiency. In addition to increasing maintenance costs, an aging fleet results in declining fuel economy, increasing the Government's environmental footprint. New vehicles are typically two per cent more fuel-efficient than the previous model year and, as a vehicle ages its fuel efficiency declines by two per cent, resulting in a four per cent loss of fuel efficiency for every year that the fleet ages.

In line with Government's overall commitment on climate change, the target for increasing efficiency and reducing emissions is 20 per cent of 2007 levels by 2020.

Performance Measure & Results

Emissions from Building and Transportation Portfolios
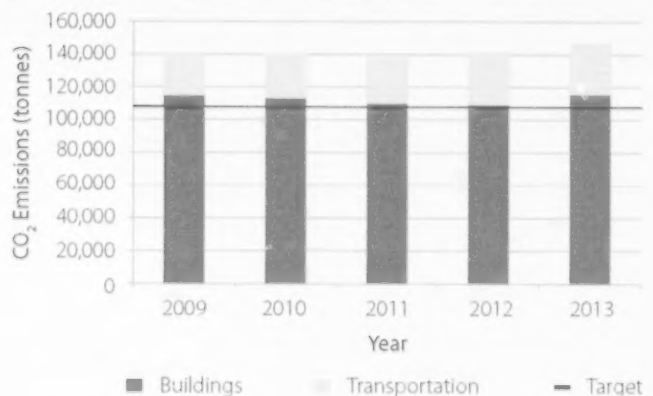
Source: Sustainability and Energy Management branch, Central Vehicle Agency, Air Services

This measure monitors the success of the Ministry's strategy to manage the building and transportation portfolios in a manner that reduces the environmental impact of operations. The chart shows five years of data which identifies the approximate CO_2 emissions based on energy consumed. A number of factors can result in increases in CO_2 emissions including:

- More energy used as a result of weather conditions (colder seasons);
- Decreased efficiency of the building portfolio; and
- Increases in the size of the managed building portfolio.

Building emissions are being managed through a number of actions, including energy retrofits, disposal of inefficient surplus buildings, Building Owners and Managers Association Building Environmental Standards certification for existing buildings, and Leadership in Energy and Environmental Design certification for new buildings. Emissions from the transportation portfolio are being reduced by enhanced driver education, anti-idling campaigns, reducing vehicle size where appropriate, and enhanced fuel efficiency in the fleet when replacements occur.

The Ministry is targeting a reduction in emissions of 20 per cent from 2007 levels by the year 2020.

Performance Measure & Results

Deferred Maintenance to Replacement Value Ratio

Average Condition of Government Buildings (FCI)
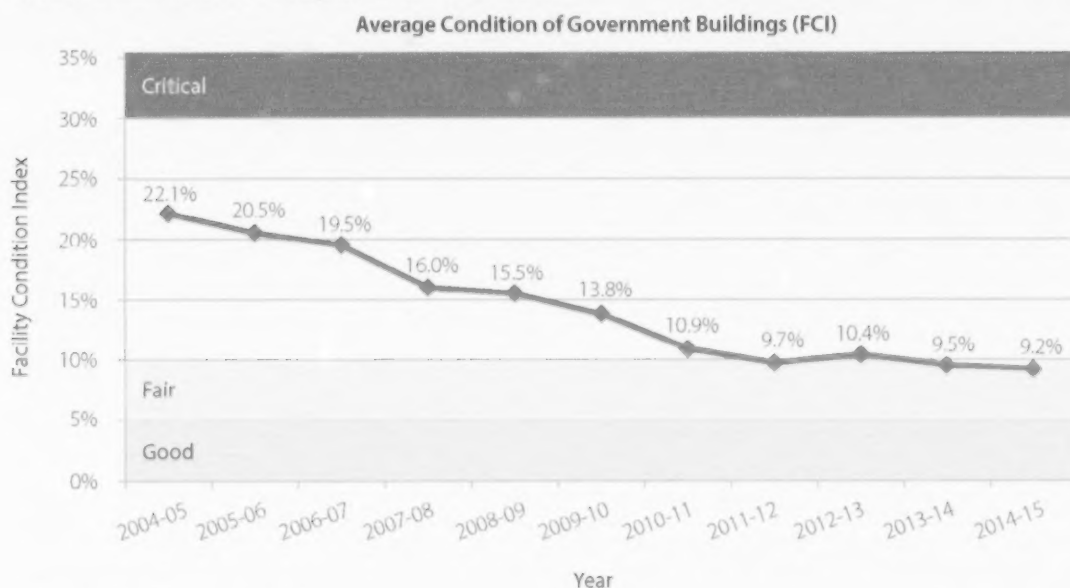
Source: Property Management division

An industry accepted standard used by most jurisdictions for measuring individual building condition is the Facility Condition Index (FCI), which can also be applied to the entire Central Services' portfolio. The FCI is a comparative indicator of the relative condition of facilities, expressed as a ratio of the cost of maintenance, repair, and replacement deficiencies of a facility to the current replacement value of the building. The higher the FCI, the worse condition the building is in relation to replacement cost. A building with an FCI of less than five per cent is in good condition, between five and 10 per cent is fair, between 10 and 30 per cent is poor, and above 30 per cent is in critical condition.

To establish the deferred maintenance costs, Central Services carries out condition assessments of approximately 20 per cent per year of the portfolio over a five-year period. Once both the deferred maintenance (DM) and the current replacement values (CRV) have been established for the asset or portfolio, the formula used is FCI=DM/CRV.

Central Services has made significant progress on this measure as Government has invested in building renewals, replacement projects and disposal of surplus property. As a result, deferred maintenance has grown by less than replacement costs, and the FCI has dropped from 22 per cent in 2004 to 9.5 per cent in 2013.

Maintain a FCI of 10 per cent for all Government-owned buildings.

- An FCI under 10 per cent for a building is considered in fair condition by industry standards.
- As a result of building renewals, replacement projects, and disposals, deferred maintenance grew by less than the asset replacement value (cost to replace the building). The FCI fell from 15.5 per cent in 2008 to 9.5 per cent in 2013-14.
- FCI has declined over the last three years due to a number of factors, such as stable construction costs, availability of contractors, and the amount of equipment that reaches its design lifespan in any particular year and the completion of some major projects such as the multi-year renovation to the Walter Scott building.
- Future year increases are forecasted due to the aging of Government buildings. The Ministry is working to mitigate these challenges through good planning processes, including planning building renewals, replacements and, where appropriate, building demolitions or disposals, to maintain FCI at less than 10 per cent. Increases in funding to offset increases in inflation and lifecycle replacement costs, however, may also be required.

Maintain a sustainable vehicle fleet that meets client needs.

CVA has implemented three main initiatives to maintain a sustainable vehicle fleet:

- The New West Partnership has changed the way the province procures vehicles. In the past, each province individually requested bids from vehicle manufacturers. The Ministry has worked with the provinces of Alberta and British Columbia to develop a single tender process, which standardizes vehicle specifications, harmonizes terms and conditions, and consolidates vehicle requirements in accordance with the New West Partnership Agreement. This has made Government's vehicle purchasing process simpler, more efficient and consistent with how the manufacturers would like to do business. The most fuel-efficient vehicle is evaluated using vehicle price, fuel consumption values, CO_2 emissions, and lifecycle.
- Right-sizing efforts have helped ensure Government has the right complement of vehicles. Based on program reviews in 2008 and 2009, CVA began the process of right-sizing its fleet.

- By 2013, the size of the overall fleet had been reduced by approximately 30 per cent to approximately 4,400 vehicles. CVA continues to work with clients to explore further reductions of the overall fleet with particular focus on the ministries and agencies of Government. Right-sizing is a part of the Ministry's efforts to ensure it provides an environmentally responsible fleet of the most efficient size and make-up.
- Moving forward, all new and replacement vehicles will undergo a right-sizing assessment and includes a three year longer term replacement plan with ministries and other clients. CVA will continue to work with clients to assess and evaluate client fleet needs in order to ensure that the fleet remains efficiently managed.
- A focus on driver training has been established. CVA recommends safe driver training for all operators of Government vehicles. The potential results of safe driving education include fewer accidents, more fuel-efficient driving habits and greater safety for our clients and the public.

Performance Measure & Results

Average Annual Distance Traveled per Government Vehicle
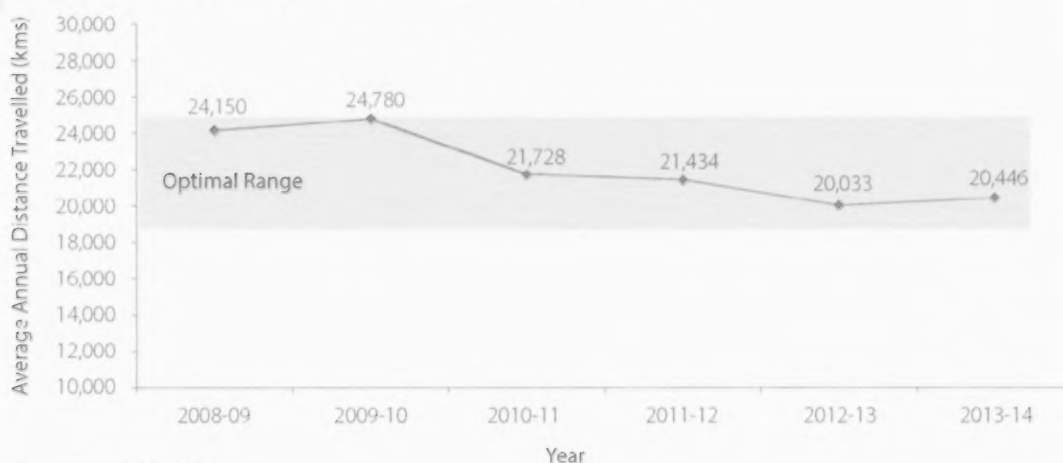
Source: Central Vehicle Agency

The average annual distance traveled by Government vehicles measures the Ministry's ability to manage the infrastructure assets in a sustainable manner to support client program delivery. The average annual number of kilometres traveled per vehicle in the CVA fleet is an indication of the extent to which the vehicles are needed and used by Government ministries and agencies.

According to fleet management standards, an average less than 20,000 kilometres suggests under-utilization, while more than 25,000 kilometres may indicate more vehicles are required. This measure includes all full maintenance vehicles

in the fleet. The results confirm that the management of the fleet is appropriate for the level of need and usage.

Central Services has a medium level of control over this measure, as replacement and use of many of the vehicles are based on the decisions of client ministries.

The results for 2013-14 remain in the optimal range for the seventh consecutive year. In the last few years, steady improvement has occurred as CVA continues to review fleet size, utilization, and make-up to ensure it is meeting Government's needs.

Continue to modernize Government's information technology infrastructure and applications to ensure reliability and sustainability.

- Completed a Windows 7 pilot project that resulted in the migration of more than 1,000 workstations to the Windows 7 operating environment.
- Began modernization of the network infrastructure in 24 buildings around the province as part of the Remote Network Refresh Project.
- Enhanced the infrastructure used for the storage of Government's electronic files and initiated a project to migrate files to the new infrastructure. The new storage infrastructure improves both capacity and performance and will prevent possible hardware failures that could result in delays to Government program delivery.
- Implemented new infrastructure to make secure wireless network access available to Government ministry offices, allowing Government employees to securely access electronic files and applications from anywhere within an equipped Government office facility.
- Transitioned the Government's spam email blocking services to modern infrastructure, which will improve performance and capacity for blocking unwanted email communications.
- Continued migrations to the Government's Common Computing Environment (CCE) for approximately 363 servers. Applications being deployed into the CCE benefit from improved performance and availability, and lower operational and support costs.

Performance Measure & Results

Percentage of Network Uptime (during normal business hours)

Source: Information Technology division

This measure supports the Ministry's strategy to work in partnership with the IT sector to provide reliable and innovative services. A reliable network ensures uninterrupted delivery of programs and services to Saskatchewan citizens. A baseline of 99.5 per cent availability during business hours was established at the start of the 2010-11 fiscal year.

Central Services continues to work with its private sector partner to improve its network infrastructure and sustain the 2013-14 results of 99.99 per cent.

Progress in 2013-14

Strategy: Ensure transparency and accountability in the provision of services to clients, private sector partners and the public.

Key Actions & Results

Establish transparency regarding cost of services.

Reviewed process of annual meetings with clients at ministry and division levels in order to improve service and provide information about how charges are calculated.

- Additional information was collected and given to clients, including overall work done for each Ministry by service.

Develop and implement an enterprise security program to ensure adequate controls are in place to protect the confidentiality, integrity, and availability of Government technology systems and data.

Continued to implement additional enterprise security program components including:

- The implementation of a multi-phased project to redesign our network infrastructure and improve data security.
- The development of the requirements and plan for new external security monitoring tools.

The Ministry engaged in proactive prevention of insecure applications through a 200 per cent increase in time spent on project security and compliance.

The Ministry identified significant opportunities for security related process improvement initiatives that will transition security activities from operational/reactive to strategic/proactive.

Develop and implement space strategies focused on reducing the Government office footprint to 18.6 m² (200 ft²) per Full-Time Equivalent (FTE) Employee by 2020.

Office space utilization measures the Ministry's success at reducing Government's space footprint. An office space standard of 200 square feet per FTE was established and the Ministry has used this standard when planning new office space and making adjustments to existing office space, primarily when relocating ministries or parts of ministries.

The numbers show an increasing trend from the base year 2010-11. Over this period, the FTE numbers have decreased with few marketable blocks of space returned to the Ministry by clients. As a result, the square feet per FTE is increasing.

Central Services has a moderate level of control over this measure, as clients determine the office space required to effectively deliver their programs and are responsible for decisions.

Central Services is working with clients to review their accommodation portfolio plans to determine the reasons for the increasing trend and will work with them to implement space strategies to reverse the trend.

- The measure declined in 2013-14 as a result of a decrease in the office space in the portfolio.

Performance Measure & Results

Office Space per FTE (ft^2/FTE)
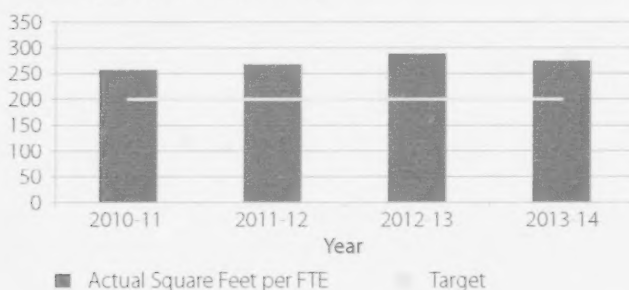
Source: Property Management division

The methodology for developing these statistics was changed slightly in 2013-14. Further changes to this measure are contemplated in 2014-15.

Progress in 2013-14

Strategy: Add value to Government programs and services by developing and implementing service standards and targets for Government.

Key Actions & Results

Develop an enterprise risk approach to investment prioritization for the Ministry.

- Continued to implement risk as a factor in investment prioritization. Each division in the Ministry now includes risk as a factor.

Rationalize the application portfolio and develop a plan for application optimization across Government programs and services.

- Continued to build and implement the foundational components of an enterprise application rationalization and modernization strategy that will enable the Ministry to reduce, consolidate and modernize the current portfolio of approximately 1,500 applications across Government. Application rationalization will result in a more stable and secure technology environment and will reduce the support costs associated with the current portfolio of aging legacy applications.
- Modernized and enhanced a number of key Government applications in collaboration with the Windows 7 desktop migration project.
- Migrated the existing Application Portfolio Management (APM) database to a more robust system and developed a prototype user interface that will improve the quality of application data available and support broader decision-making across the IT division.
- Initiated development of a strategy and plan for Application Lifecycle Management (ALM) that will establish a solid lifecycle model and framework for managing applications from initial development through to retirement.

Continue implementation of enterprise architecture standards to guide the development and operation of all IT systems.

- Reviewed the enterprise architecture (EA) repository of architecture guiding principles and IT standards and updated as required.
- Conducted 56 architecture compliance reviews for projects in 2013-14, which is 15 per cent more than the number of reviews in 2012-13. As architecture compliance has evolved, more projects have received reviews with a goal of architecture compliance reviews to become an integrated component of a project lifecycle process.
- Issued 16 dispensations from the architecture compliance reviews. A dispensation is issued when a solution is not compliant with the architecture (i.e. technical standards) but is permitted to proceed to meet the immediate business need. The dispensation, however, is granted under the premise the solution will be brought in alignment with the architecture sometime in the future. The number of dispensations from 2012-13 are down approximately 16 per cent, indicating more solutions are in alignment with the architecture.
- Assigned Solution Architect resources to key ministry projects to improve alignment with EA standards. The technical guidance provided by these resources ensures that projects are implemented in alignment with the Government of Saskatchewan's technical architecture.
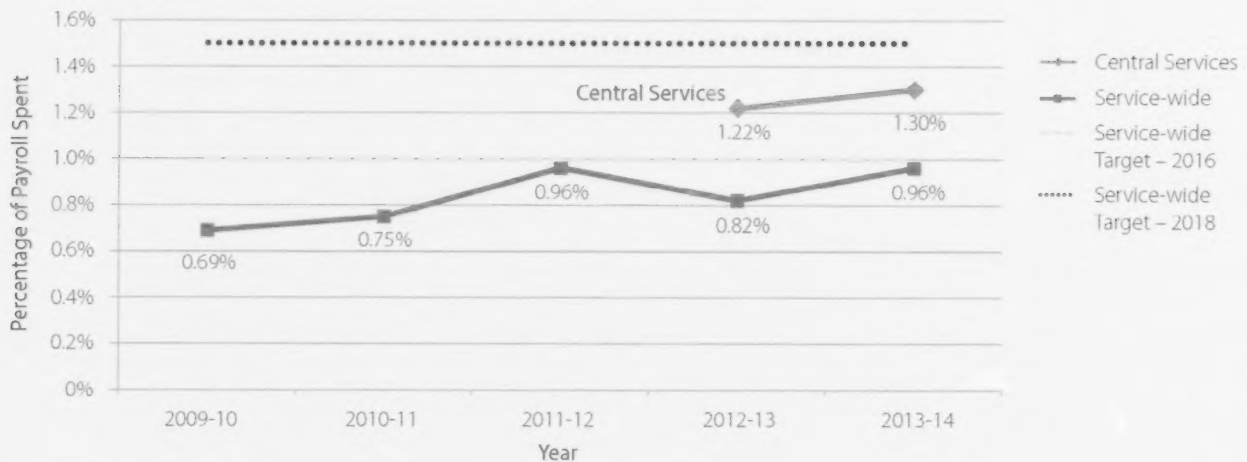
Progress in 2013-14

Strategy: Develop a highly skilled workforce for the Ministry and for Government, to ensure Government employees have the skills to deliver high quality public services to the people of Saskatchewan.

Performance Measure & Results

Percentage of Payroll Spent on Learning and Development

Source: Public Service Commission, Financial Services branch

- This measures the amount Central Services spent on training its employees as a percentage of payroll. The measure provides insight into investment in education, training and development for employees and helps ensure they have the skills and expertise needed to deliver programs and services. The percentages for the Ministry for the last two years, and for the entire public service for the last five years are shown. The training conducted included skills development for middle managers, customer service training, and increased training for project managers to respond to changing environments and technology.

Key Actions & Results

Advance leadership and employee development to promote and embed a service excellence culture in the services the Ministry provides.

Central Services has increased its spending on learning and development from 1.22 per cent in 2012-13 to 1.30 per cent in 2013-14, which is above the 2016 service-wide target and the service wide average.

- Higher public expectations for services as well as changing program, policy and service delivery models require employees with the right skills and knowledge to effectively perform the work. Maximizing existing employee skills and increased investment and learning and development will assist in engaging employees and keeping their skills current.

2013-14 Financial Overview – Central Services

A significant portion of the budget for the programs within Central Services operates on the principles of shared services and net budgeting, which are set out in legislation in *The Financial Administration Act, 1993*. The Act allows for ministries to provide shared services to other ministries and to charge those ministries for the costs of those services.

The cost of shared services is allocated to ministries and is described as an internal recovery because the ministries receiving those services are internal to the General Revenue Fund (GRF). Essentially, Central Services charges ministries for accommodation, transportation, information technology, and other services provided to them. These charges are reflected in the financial results for the respective ministry clients.

The Act also allows net budgeting for commercial activities provided by a ministry to organizations that are outside of Executive Government. The provision of services to and recovery of the cost of those services from agencies external to the GRF are defined as commercial activities. The fees charged for these services are described as external recoveries. The Ministry charges a recovery fee (price) for those services.

Following the Ministry's pricing principle of cost recovery, the expenses of the Central Management and Services subvote are allocated to program subvotes and those costs are reflected in the full cost recovery rate structure.

The following are appropriated and not recovered through charges to ministries:

- Minister's statutory salary;
- Operation of the Procurement branch;
- Operations and maintenance of the Legislative building;
- Certain maintenance costs in Property Management;
- Environmental sustainability investments;
- A portion of the Telecommunications branch administration costs;
- A grant paid for the Saskatchewan Archives Board;
- IT coordination and transformation initiatives;
- Application administration and support; and
- Major Capital Asset Acquisitions.

2013-14 Financial Summary

Central Services

The 2012-13 data below is provided for comparative purposes and includes amounts for the former ministries of Government Services and the Information Technology Office. As a result of the reorganization, comparative amounts (between 2012-13 and 2013-14) are shown at the summary level only.

Central Services' 2013-14 expenditure budget (appropriation) was $59.49 million, including $21.45 million for capital asset acquisitions.

In addition to appropriated funds, the Ministry's funding also included recovery of costs related to shared services and net budgeting. In total, the Ministry's budgeted funding was $381.70 million, summarized as:

2013-14 Funding

	2012-13 Actual ($000s)	2013-14 Budget ($000s)	2013-14 Actual ($000s)
Total Expenditure	93,678	59,494	52,904
Costs Allocated to Ministries	294,280	251,772	300,739
Costs Charged to External Clients	75,332	70,437	70,898
Total Budgeted Funding	**463,290**	**381,703**	**424,541**
Less: Costs Allocated to Ministries	(294,280)	(251,772)	(300,739)
Costs Charged to External Clients	(75,332)	(70,437)	(70,898)
Capital Asset Acquisitions	(60,697)	(21,452)	(22,532)
Commercial Activity Deficit	(293)	–	(664)
Add: Capital Asset Amortization	–	420	–
Total Budgeted Expense	**32,688**	**38,462**	**29,708**

Actual funding totalled $424.5 million, a variance of $42.8 million compared to budget. The variance is a result of major IT initiatives that ministries budget for, as well as other in-year requests. Results by subvote and program area are summarized in subsequent pages of the Annual Report. Detailed payee information will be published in Public Accounts 2013-14 – Volume 2.

In 2013-14, Central Services' full-time equivalent (FTE) budget was 851.9 FTEs and the actual utilization was 968.6 FTEs, including 42.0 FTE's for students.

2013-14 Central Services Financial Expenses

The following table outlines information on actual and budgeted results by subvote and programs. The table also identifies the amounts allocated to ministries as internal recoveries and amounts charged to clients external to the General Revenue Fund. Significant variance explanations are provided for in the notes.

Subvote/Allocation	2013-14 Budget	2013-14 Actual	Variance Over/(Under)	Notes
Central Management and Services (CS01)				
Minister's Salary (Statutory)	$ 47	$ 47	$ –	
Executive Management	797	771	(26)	
Central Services	8,597	7,512	(1,085)	1
Accommodation Services	343	389	46	
Allocated to Services Subvotes	(9,737)	(8,672)	1,065	2
Subvote Total	**$ 47**	**$ 47**	**$ –**	
Property Management (CS02)				
Operations and Maintenance of Property	$ 155,939	$ 151,073	$ (4,866)	3
Accommodation Costs Incurred on Behalf of the Leg Assembly	3,102	3,105	3	
Program Delivery and Client Services	18,836	17,658	(1,178)	4
Environmental Sustainability Investments	2,112	1,294	(818)	5
Property Management Allocated to Ministries	(123,505)	(122,402)	1,103	6
Property Management Charged to External Clients	(45,819)	(44,288)	1,531	6
Subvote Total	**$ 10,665**	**$ 6,440**	**$ (4,225)**	
Project Management (CS03)				
Courthouses	$ 18,296	$ 8,017	$ (10,279)	7
Pine Grove Provincial Correctional Centre	1,875	2,626	751	8
Prince Albert Provincial Correctional Centre	13,000	3,848	(9,152)	9
Valley View	5,000	1,653	(3,347)	10
Woman's Remand Centre	2,000	1,881	(119)	
Other	5,623	13,616	7,993	11
Project Management Allocated to Ministries	(45,794)	(29,388)	16,406	12
Project Management Charged to External Clients	–	(2,253)	(2,253)	13
Subvote Total	**$ –**	**$ –**	**$ –**	
Transportation and Other Services (CS05)				
Vehicle Services	$ 35,394	$ 38,030	$ 2,636	14
Air Services	11,596	11,605	9	
Saskatchewan Archives Board	4,398	4,398	–	
Corporate Projects Group	3,159	2,462	(697)	15
Procurement	4,413	3,468	(945)	16
Mail Services	12,755	12,688	(67)	
Telecommunications Services	2,990	3,477	487	17
Services Allocated to Ministries	(39,853)	(39,593)	260	18
Services Charged to External Clients	(22,501)	(20,883)	1,618	18
Subvote Total	**$ 12,351**	**$ 15,652**	**$ 3,301**	

(in thousands of dollars)

Major Capital Asset Acquisitions (CS07)							
Land, Buildings and Improvements	$	8,571	$	8,865	$	294	19
Machinery and Equipment		9,131		8,529		(602)	20
Office and Information Technology		3,750		5,138		1,388	21
Subvote Total	$	**21,452**	$	**22,532**	$	**1,080**	
Information Technology Office (CS11)							
IT Coordination and Transformation Initiatives	$	9,457	$	3,642	$	(5,815)	22
Application Support		6,455		7,411		956	23
Interministerial Services		43,804		110,008		66,204	24
IT Allocated to Ministries		(42,620)		(109,355)		(66,735)	25
IT Allocated to External Clients		(2,117)		(3,473)		(1,356)	25
Subvote Total	$	**14,979**	$	**8,233**	$	**(6,746)**	
Total Expenditure	$	**59,494**	$	**52,904**	$	**(6,590)**	
Less: Capital Asset Acquisition	$	(21,452)	$	(22,532)	$	(1,080)	
Commercial Activity Deficit		–		(664)		664	
Add: Capital Asset Amortization		420		–		420	
Total Expense	$	**38,462**	$	**29,708**	$	**(8,754)**	

Explanation of Major Variances from 2013-14 Actuals to 2013-14 Budget:

1. Central Services' variance is primarily a result of salary savings due to vacancies and savings in expenses budgeted for in professional services.

2. Savings from this subvote were reflected in the allocations to the subvotes with commercial activity.

3. Variance is attributable to construction projects on Central Services' owned buildings being under-budget, savings in salaries resulting from vacancies, lower than expected lease expense, utility expense savings, and the delay of equipment deliveries for major maintenance projects, which are partially offset by pressures in amortization, and small maintenance projects.

4. Savings in Program Delivery and Client Services is primarily attributable to salary savings as a result of vacancies and difficulties filling technical positions.

5. Projects were deferred to offset other pressures within the Ministry.

6. The variance in recoveries is a result of an increase in client demand and space changes throughout the year.

7. Courthouses consist of the Saskatoon Court of Queen's Bench courthouse and Saskatoon Provincial Courthouse. Variance is due to labour shortages, combined with delays in delivery of construction materials.

8. Pine Grove Provincial Correctional Centre variance is a result of a delay in the tendering process in the previous year. The work that was delayed in 2012-13 was carried over and completed in 2013-14.

9. Prince Albert Provincial Correctional Centre experienced a delay in tendering, as well as significant delays as a result of the weather.

10. The variance is a result of delays in the procurement of property as well a change in the requirements and scope of the project as directed by the client ministry.

11. Other client projects are related to equipment storage buildings, office tenant improvements, and other miscellaneous projects that were identified by ministries in-year.

12. Project delays and decreased GRF client demand for construction projects resulted in lower recoveries overall.

13. Increase in non-GRF client demand resulted in higher than budgeted recoveries.

14. The higher than budgeted expenses in Vehicle Services were a result of pressures in repair costs, amortization, and other non-cash related items (change in prepaid expenses and losses on the disposal of vehicles).

15. Salary and expense savings are a result of vacancy management and reduced project costs.

16. The variance is primarily a result of savings in salaries, partially offset by higher than budgeted expenses in fees for professional services.

17. This variance reflects the increased demand in bandwidth and additional multi-tenant accesses for the CommunityNet services.

18. The variance is a result of recoveries being lower than budgeted in Air Services and Vehicle Services, which are partially offset by higher than anticipated recoveries in Telecommunications Services and Mail Services.
19. Land, Buildings and Improvements was primarily over budget due to increased costs to finish the Walter Scott building.
20. Machinery and equipment purchases were scaled back to help offset pressures within the Ministry.
21. The variance in Office and Information Technology is a result of the the advancement of the Windows 7 upgrade.
22. The variance represents planned savings from vacancy management and slowing of IT initiatives that were used to offset pressures within the Ministry.
23. Application Support experienced pressures due to increased support required for aging and obsolete applications.
24. The variance is a result of major IT initiatives that the other ministries budget for, as well as other in-year requests.
25. A result of the increased demand from clients that recover for the expenses explained in note 24 above.

Revenues

The majority of the revenue collected by the Ministry of Central Services is related to the provision of commercial activities. The following table outlines information on actual and budgeted revenues.

	2012-13 Actual ($000s)	2013-14 Budget ($000s)	2013-14 Actual ($000s)	2013-14 Budget to Actual ($000s)	Notes
Transfers from Government Entities and Other Own-Source Revenue					
Sales, Services and Service Fees	80	–	297	297	1
Other Revenues	3,037	–	2,660	2,660	2
Commercial Operations	75,331	70,437	70,898	461	3
TOTAL	**78,448**	**70,437**	**73,855**	**3,418**	

Explanation of Major Variances from Budget:

1. The majority of the revenue from sales, services, and service fees was obtained from the sale of previously expensed assets.
2. The majority of "Other" revenue consisted of refunds of previous years' expenses and the disposal of Central Vehicle Agency vehicles. These types of revenue are accounted for as GRF.
3. Commercial operations revenue is received from clients that are external to the GRF.

For More Information

For general information about Central Services, please visit www.saskatchewan.ca/government/ministries/central-services.

Other important websites:

www.sasktenders.ca
www.sasksurplus.ca
www.communitydonations.ca

For more information about the Government of Saskatchewan, please visit www.saskatchewan.ca.

For specific enquiries related to this report, please contact:

Ministry of Central Services
Corporate Planning
1920 Rose Street
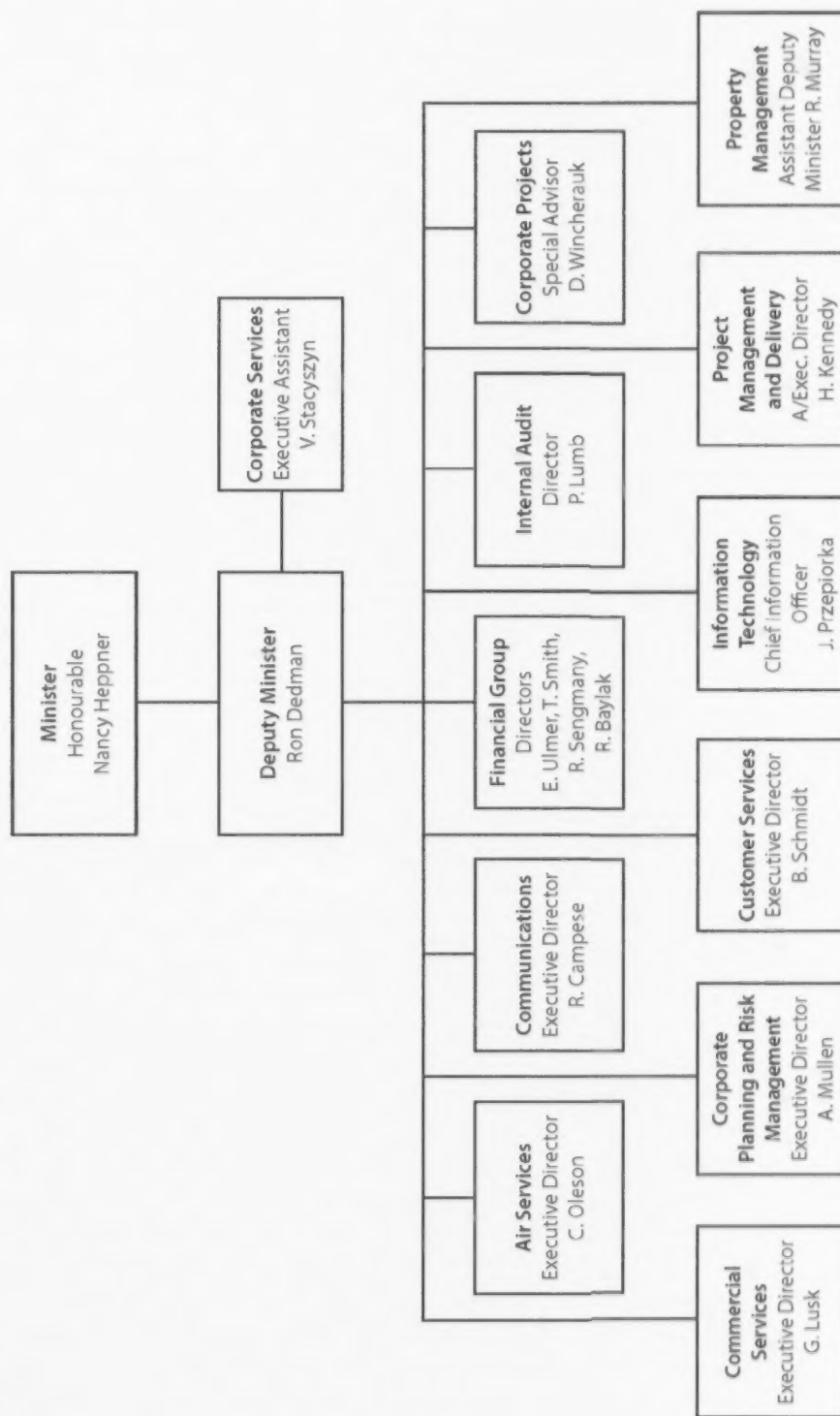Regina, SK S4P 0A9
Phone: 306-787-2253
Fax: 306-798-0700

Appendix A – Organizational Chart

Minister
Honourable
Nancy Heppner

Deputy Minister
Ron Dedman

Corporate Services
Executive Assistant
V. Stacyszyn

Corporate Projects
Special Advisor
D. Wincherauk

Property Management
Assistant Deputy
Minister R. Murray

Internal Audit
Director
P. Lumb

Project Management and Delivery
A/Exec. Director
H. Kennedy

Financial Group
Directors
E. Ulmer, T. Smith,
R. Sengmany,
R. Baylak

Information Technology
Chief Information
Officer
J. Przepiorka

Communications
Executive Director
R. Campese

Customer Services
Executive Director
B. Schmidt

Corporate Planning and Risk Management
Executive Director
A. Mullen

Air Services
Executive Director
C. Oleson

Commercial Services
Executive Director
G. Lusk

Note: This organizational chart represents the structure of the Ministry as of March 31, 2014. The Corporate Projects Special Advisor was moved to the Ministry of Education in the 2014-15 Budget. Central Services has also appointed a new Minister and Deputy Minister since March 31.